

SOCIAL SECURITY IN CRISIS CONDITIONS

Abstract

The crisis, which began in 2019 and is ongoing in 2020, is based on a pandemic and has health and social consequences. Corona crisis has shaken the world on an unprecedented scale. Comparisons with previous crises indicate dramatic and huge loss of human life. The full mobilization of the states required them to take various measures. The measures are in the area of: health, social, economic, legal, political, hygienic, educational, fiscal, transport, security and so on. They are all complex and multidimensional, affecting many aspects of people's lives and social security. Border blockades, stopping of air transport, rail and road traffic meant complete isolation of people. The drastic restriction on the movement of people, as well as the consequences of these measures have led to social uncertainty and phenomena that are not fully explained, and for which they should be seen in numerous scientific disciplines.

Among the most visible consequences, in addition to health, are economic and social, which have been felt directly by all people. Probably for a long time to come, these measures will produce limitations that explain the need to preserve people's health and social security. The paper examines social security in times of crisis and the impacts that arise from the institutional and systemic solutions offered.

Keywords: SOCIAL SECURITY, CRISIS, INSTITUTIONS, SOLUTIONS, MEASURES

Introduction

The crisis is an immanent occurrence of a market economy. The cyclical emergencies are changed in approximately ten years. Every country faces recessionary processes, but also crisis concussions. The crisis is driving the economy backwards, slowing growth, development and social processes. It reduces the potential of a society that must seek solutions to further development.

The crisis from the thirties, as well as the first decade of the XXI century, required serious efforts by the state to stabilize economic and financial flows. Without it, the system would stand on its own and be plagued by conflicts and wars. Historical experience has confirmed that without social security, there is neither economic nor political nor is any stability possible. Overcoming crises, the liberal system has imposed new values with a tendency to reduce social security costs.

Corona, the current crisis, has hit everyone and has become a global pandemic. States have closed and isolated themselves, and the globalization and interruption of travel and communications has multiplied the negative effects of the crisis. Unemployment has risen as a result of the closure of a number of industries and branches, followed by reduced wages, reduced working hours and non-employment of workers, closure of factories and numerous enterprises in many areas. All of this affects people's social security, declining living standards, rising prices, unsustainable pension systems, starvation, leading to changes in quality of life, limited health care and the creation of unfavourable social conditions. It is estimated that the shock to the global economy from the Covid-19 is faster and more serious than that caused by the 2008 global financial crisis. Unlike then, the negative impact on the economy is now visible in just a few weeks. Social distance has become a measure of everyday life. Every component of aggregate demand and consumption, investment, capital expenditure, and foreign trade is in free fall. It is expected that this decline may deepen by the end of the year, and it is estimated that a positive growth in 2021 is possible.

The paper addresses issues of the institutional basis of security and how it is maintained in times of crisis. The answers are complex and focus on essential and systemic, not just formal perceptions of people's needs.

1. For the social security

Social security at the stage of realization of strategic development goals and interests requires systemic shaping to be permanent and accessible to the whole society. Only in this way can the effects of the achieved level of development be used and the stability of the system can be maintained. Efforts to maintain the economic growth strengthen the foundations of social development and social security. The links of the social security with the level of development reveals the influence of these interrelated and causally related phenomena. This achieves a more accurate detection of phenomena within the systemic analysis and the causal links of economic and social elements. By perceiving the systems that produce and implement measures of social security, the structures and forms of security within the total social system are realized, and separately in the social system.

The social system forms its own institutional operating segment that influences the shaping of the development process in order to resolve conflicts that necessarily exist and occasionally occur in the social system. This system is inevitably aimed at achieving social security as a prerequisite for maintaining it in balance. From systemic phenomena and processes, their connections and interactions depend on the possibility of regulating the internal relations and contradictions that exist in the system, and thus on the realization of social security.

The crisis disrupts the social system and thus the level of balance that has been established within the social security system. Living in conditions of

social and physical distance realistically reduces the opportunities for social inclusion. Information technology used to communicate and monitor the situation in the social system is based on the need to define new principles and goals of people. By violating the principles of social living, and when there are indicators that are not relevant, knowledge about social security is deformed. The management level, receiving distorted knowledge about the processes in the social sphere, often does not produce adequate measures that are applicable to meet the social needs and security of the people.

2. The security and development

Development and security are inseparable and interconnected elements of the system, which, depending on the influence of these two components, largely depends on its survival. The more confident are the development and security, the greater effects than can be expected in terms of working conditions, living conditions and social conditions in a country. Conversely, if there is no social security, the negative effects on social development can be predicted.

The policy to be regulated applies to social protection, health care, pension and disability protection, family protection, child protection, unemployment insurance and other social security rights. Social development covers parts of political, technological and social progress and is inextricably linked to other systems in the society. When analysing the social system, comparisons often focus on economic indicators of development.

The fact is that the gross domestic product indicator, which is a synthetic indicator of development processes, is declining in times of crisis. With the crisis comes a process of naked survival and absence of growth, faster growth and development. Social security is declining, negative trends are emerging, and social uncertainty is on the rise. Social components in times of crisis if they follow developmental performance will adversely affect the quality of working, living and social conditions. Therefore, serious efforts are needed that will provide a way out of the unfavourable situation, and then balance the social processes in the long run.

3. The Culture and crisis

Societies are different because their cultures are different. States have major differences in social structure, religion, language, education, economic philosophy, political philosophy, development, forms of social security, and more. Three significant implications arise from these differences. The first is the need to develop intercultural knowledge. There is a need not only to know that there are cultural differences, but also to know what those differences mean for the relationship in the social and health spheres and for building social security. The second implication considers the relationship between culture and ethics in decision making, which is particularly sensitive in times of crisis. The

crisis is changing perceptions of culture and its values and can lead to conflicts. The third implication focuses on the relationship between culture and national competitive advantage as the globalization imposes new rules and processes.

In the event of a global pandemic crisis, some decisions are considered unacceptable to certain cultures and environments, while others are part of specific cultural perceptions and understanding of the people. Different starting positions in the understanding of concepts and social phenomena can be multiplied and the culture of the possibility of connection can be turned into a means of division and oppression among people.

In times of crisis, it is necessary to provide accurate information about the cultures and differences that exist, which makes it easier to understand and accept important and expensive decisions in the social sphere. Attention should also be paid to the dangers of ethnocentric behaviour. Along with ethnocentrism goes disrespect or contempt for the culture of other countries and / or peoples. No matter how bad and complex this phenomenon is, ethnocentrism is a part of life that must be constantly monitored so as not to block the relationships between people who can escalate into conflicts and destabilize the system. In times of crisis, these tendencies have complicated and often negative assessments and failures, as well as changes in value systems.

The systems of values and norms of a country, culture, ethics, relations and changes affect the costs of forming a system of social security. Funding systems, including social security and health insurance systems, as well as the overall system of social protection and social security, which are influenced by culture, are easily deformed in times of crisis. Then they come to the surface, not only with the cultural elements, but also everything that shapes the social security, so it can become the subject of quarrels, divisions and hardships. The more attention is paid to their harmonization, the easier it is to form social goals, directions of movement and the means for their realization, i.e. the more opportunities for harmonized movements are expressed in the social sphere.

4. Economic and financial aspects of security

Development is a process that takes place in social frameworks and is aimed at gaining higher performances. In order for them to be realized, economic conditions are necessary, as well as financial means for permanent maintenance of the systems and separately of the social security system. Public finances are an obligation of the state that should systematically provide the funds through taxes, fees, customs duties and contributions, to distribute and redistribute them according to the needs of the budget users.

Social organization is of particular importance for the opening of the processes and the formation of the institutions that coordinate all social energy, knowledge and material and financial resources as well. Among other things, social security includes activities that are undertaken under conditions and in a manner determined by law, to protect citizens who are unable to work and do

not have the means to support themselves. It also includes citizens who with their work and on the basis of work, on the basis of legal support, on the basis of property and property rights or otherwise cannot provide sufficient funds, conditions and opportunities to meet basic living needs. The crisis is only exacerbating these disadvantages.

The financial aspects of security in conditions of crisis are with diminished capacity by the inability of the public finance system to collect the necessary funds and alimony the users of funds. Overwork limits the possibilities and solves with internal and external borrowing because without it the social balance will be disturbed. The high indebtedness means reducing future growth and development opportunities as borrowing must be repaid by future generations and with interest rates.

5. The crisis and the institutions

In times of crisis, the institutions that produce social security are a very important factor. If these institutions are managed at a low level, a high effect cannot be expected from them. The negative selection processes in the selection of staff, which has existed for a long time, in times of crisis makes the institutions incompetent. Thus, the inadequate staffing of institutions in times of crisis has shown their unwillingness to deal with the problems posed by the crisis. On the contrary, poor management, along with insufficient experience, work and life, as well as experimenting with unsustainable populist measures, only deepened the crisis and limited social security. The exclusivity in seeking solutions, not using knowledge from other sources, not accepting quality proposals, made the institutions limited but also vulnerable and irresponsible if their proposals fail.

The government's call for people in crisis to work and spend less, so their wages should be reduced, is ignorance of the macroeconomic system and severe anachronism. Or the reduction of the salary of a large part of the employees to the minimum wage is ignorance of the impact of consumption and supply for growth and development. If the wages are reduced, taxes are reduced, there is no turnover, and bankruptcy follows with serious consequences for citizens that are avoided in democratic states.

The punishment of people by the institutions in relation to salaries by deducting part of the money is contrary to their constitutionally and legally guaranteed rights. The salary is privately owned and cannot be revoked in accordance with the decisions of the constitutional judges.

In the system, the influence of capital owners is expressed on the overall legislation. It is unacceptable for them to reduce social differences and the established distribution of profits and wealth. In contrast, they see neoliberalism as the only acceptable system that should not be changed because it is to their advantage, even at the cost of social instability and overcoming the crisis.

The author Joseph E. Stiglitz * (2019) rightly points out that in rich and poor countries, elites have promised that neoliberal policies will lead to faster economic growth and that differences will be reduced, so that everyone, including the poorest, will be better off. However, to get there, workers will have to accept lower wages, and all citizens will have to accept cuts in important government programs. This has been happening for years and citizens' dissatisfaction is growing.

The new social differences have been identified and it is even more difficult to reduce them in times of crisis. In addition, measures are in place to impose new excise taxes and restrictions. This is especially true in countries facing a shortage of financial resources to address social needs.

Modern trends and processes require solutions for social aspects. The prevailing view is that of forming a new social contract, or in other words, a class agreement, which, if not agreed upon, will be suppressed on the basis of social affiliation and property. Uncertainty, which is becoming increasingly apparent, needs to be overcome and stabilized by the mechanisms of social influence and by financing social security. This would make it possible to reduce the drastic social differences that produce negative tendencies. The new concept of social agreement can also change the role of the institutions that need to be well staffed, informationally and technologically equipped and with modern approaches to resolving the crisis and development.

6. Exit opportunities and conclusions

In times of crisis, every trained worker should be retained and paid accordingly to be activated and return to work immediately after the crisis. Human resources are the most important factor in business and that factor must be maintained and motivated to be able to re-create new value.

The high unemployment rate as a result of the crisis has an impact on pension and health systems. In order to prevent a social crisis, urgent and coordinated action by the government is needed to create new jobs. Adopting unemployment reduction programs that quickly hire more workers becomes imperative for the government. Such are infrastructure projects, construction and reconstruction of public buildings, with government subsidies for new jobs.

At the state level, it is necessary to build a long-term strategy to overcome the crisis. Each activity and branch is specific and requires measures that will help revive economic activity. It is estimated that the crisis will last longer and requires mobilization of all knowledge in the country. Restrictions should not be made on party or other affiliation to engage the overall scientific and professional potential of the state in seeking and proposing solutions. Understanding the needs and measures that will create a development incentive in the economy becomes an urgent need.

The losses should be offset by maintaining the social security. Not only with loans from commercial banks which in this crisis did not show readiness for

the citizens and the economy with whose money they work. Their insensitivity and desire to profit even in a long-term crisis will have a negative impact on them.

The attitude of saving and not spending in times of crisis is inappropriate and even decadent. The costs of the crisis are already significant, especially in the health, sector, transport, tourism, security and other sectors, and will be even greater to maintain the system and the state. Those costs will be borne by both current and future generations. Thoughtful strategic measures can shape and maintain social security even in times of crisis. The examples of numerous countries that bring huge funds into the financial flows of countries are an indicator and knowledge of how by forcing consumption and maintaining the health of citizens, solutions are obtained to get out of the crisis.

Part of the companies, i.e. the enterprises will end up with a loss or will go bankrupt. That is why the state, i.e. the institutions should help them to survive, to be repaired and if there are conditions to continue working. In this way, the system is provided so that in the future it can expect the effects of the operations of the companies to which it has been assisted, and through that employment, taxes and other income to be provided for social security.

If the state does not save the economy, it will commit suicide. It should invest when it is most difficult and thus stimulate demand and through it growth and development. The crisis, if not affected by measures, grows like a spiral without anticipating its cessation. The decline in Macedonian GDP is estimated to be over 6%, followed by blows on the export and import side, the fall of the living standard with the certainty of rising prices and inflation.

Financial assistance around the world refers to assistance from government institutions to individuals in special categories in need of support, subsidies or co-financing, grants in support of companies facing financial difficulties. The Macedonian reality is different, given that financial assistance is more in the form of loans and credit, which creates dissatisfaction. In other countries in the region, aid is significant (e.g. Serbia, participating with 11% of GDP, Bulgaria with 9.9%, Greece with 5%, Croatia and Bosnia with approximately 3% Albania with 1.3% from GDP, while Macedonia is last with 1.2% support).

It is estimated that construction must not be reduced, but rather forced and invested. It is a sector that activates significant industrial potential and encourages development. Investments are needed in agrarian food production, which due to the closure of countries is becoming a necessity to meet the needs of the population. By investing in hydro-ameliorative systems and activating water potentials, activating the canal network can increase food production in the country. Investments in energy, gasification, infrastructure projects, roads, railways, telecommunications, etc. are also needed to overcome the consequences of neocolonialism.

The crisis highlighted the need for the growing role of the public health system in preserving and promoting the health of the population. It requires

investments to strengthen and improve the infrastructure and equipment of public health facilities and information shaping or rounding of the health system, as well as the procurement of modern medical equipment. Healthcare institutions need to be able to train staff in acquiring new knowledge through specializations and sub-specializations in order to be constantly active and to improve their work.

Fiscal and financial support is needed for the companies to recover in a timely manner. This will stimulate the supply, which, because of the restrictions, is reduced and have impact of the volume of consumption. Timely and targeted measures can affect the stabilization of the economy and social security. If such incentive measures are not taken, the deepening of the crisis will require greater efforts, it is more expensive and the exit from the crisis will last longer.

The measures should be long-lasting. Short-term measures with low effect are not acceptable to either the economy or the citizens. Dissatisfaction can also be masked by long-term stimulating effects. How the long-term economy will develop, what the development strategy is, and how much it will cost society are fundamental strategic decisions that the government must make urgently. Thus, development dynamics are established and also social security, which is important for the state and society as a whole.

There is a need for new knowledge, new professions: crisis managers and advisors, time and resource managers in times of crisis. Together with IT developers, they are the professions of the future. Investing in the education of these staff should be envisaged in the curricula at the level of secondary and higher education. This means adding training elements to how to manage the crisis that is becoming everyday problem.

Foreign direct investment, although desirable and announced, has a limited domain and effect, so from there the resource base is found in the ability of each country to finance its development on its own. Defining of measures and policies in the field of employment is still an important competence of the state or the government.

Social security is created and maintained, it is an expensive product that requires dedication. In times of crisis, are needed capable and sustainable institutions that create and strengthen social security and the systems on which it is based. People cannot be manipulated, they are aware, informed and able to exercise their social and basic human rights. Therefore, wider efforts are needed at the national and supranational level to achieve an acceptable level of social security and a decent income for every citizen. The changes that have taken place as a result of the crisis are changing people, government and society everywhere.

References:

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